

Introduction:

Good morning. My name is John Garcia and I am the Project Director with the Home and Community Based Services waiver team, Office of Long-Term Services and Supports, at the Executive Office of Health and Human Services (EOHHS). I am here to present staff testimony on the new regulation 101 CMR 449.00: *Rates for Certain Home-and Community-Based Services Related to Workforce Development*. This regulation was adopted as an emergency with rates effective for dates of service on or after October 1, 2021, and January 1, 2022. EOHHS may adopt a final, revised version of the regulation taking into account relevant comments and any other practical alternatives that come to its attention.

Background:

101 CMR 449.00 is established in accordance with fiscal year (FY) 2022 budget language at Section 2, line item 9110-1635, which requires EOHHS to adjust rates for certain services in order to provide additional funding during FY2022 for “home health aide, homemaker and personal care homemaker services provided through items 9110-1630, 9110-0600 and 4000-0601” that are paid for by MassHealth and the Executive Office of Elder Affairs (EOEA).

Services with rates established in this new regulation also have rates established in 101 CMR 350.00: *Rates for Home Health Services* as well as in 101 CMR 359.00: *Rates for Home and Community Based Services Waivers*. These rates were also most recently increased temporarily through the omnibus rate regulation 101 CMR 447.00: *Rates for Certain Home and Community Based Services Related to Section 9817 of the American Rescue Plan Act*, which is effective for dates of service July 1, 2021, through December 31, 2021. The rates established in 101 CMR 449.00 include the temporary rate increases established in 101 CMR 447.00 that are effective through December 31, 2021, and are intended to be paid in place of the rates established in these other rate regulations during FY2022.

Description of Rates:

The rates established in 101 CMR 449.00 increase the rates for certain home- and community-based services (HCBS services) established in other EOHHS rate regulations identified above, and effectuate the FY2022 budget language at Section 2, line item 9110-1635 that requires EOHHS to provide a rate add-on of \$2.68 per hour (or \$0.67 per 15-minute unit) for home health aide services, and \$2.96 per hour (or \$0.74 per 15-minute unit) for homemaker and personal care services purchased by MassHealth during FY2022.

Since the add-on rates are effective October 1, 2021, instead of July 1, 2021, the legislative add-on rate includes an additional annualization add-on to account for the period of July 1, 2021, through September 30, 2021. Rates for home health aide services include a rate add-on of \$0.89 per 15-minute unit from October 1, 2021, through June 30, 2022. Rates for homemaker and personal care services include a rate add-on of \$0.99 per 15-minute unit from October 1, 2021, through June 30, 2022.

Rates for Home Health Aide Services:

EOHHS is proposing to implement a total payment rate of \$8.29 per 15 minutes for home health aide services from October 1, 2021, through December 31, 2021. This rate is composed of the following: (i) a rate of \$6.73 per 15 minutes for home health aide services (code G0156) established in 101 CMR 350.00, effective July 1, 2020; (ii) an annualization add-on of \$0.89 per 15 minutes; and (iii) a \$0.67 add-on rate per 15 minutes for home health aide services established in 101 CMR 447.00, effective July 1, 2021.

For dates of service January 1, 2022, through June 30, 2022, EOHHS is proposing to implement a total payment rate of \$7.62 per 15 minutes for home health aide services. This rate consists of the same rate components as the October 1, 2021, effective rate, except the \$0.67 add-on rate will be removed.

Rates for Agency Provided Homemaker Services:

EOHHS is proposing to implement a total payment rate of \$7.92 per 15 minutes for agency provided homemaker services from October 1, 2021, through December 31, 2021. This rate is composed of the following: (i) a rate of \$6.30 per 15 minutes for agency provided homemaker services (waiver ABI-N and MFP-CL) established in 101 CMR 359.00, effective July 1, 2020; (ii) an annualization add-on of \$0.99 per 15 minutes; and (iii) a \$0.63 add-on rate per 15 minutes for agency provided homemaker services established in 101 CMR 447.00, effective July 1, 2021.

For dates of service January 1, 2022, through June 30, 2022, EOHHS is proposing to implement a total payment rate of \$7.29 per 15 minutes for agency provided homemaker services. This rate consists of the same rate components as the October 1, 2021, effective rate for agency provided homemaker services, except the \$0.63 add-on rate established in 101 CMR 447.00 will be removed.

Rates for Non-Agency Provided Homemaker Services:

For non-agency provided homemaker services, EOHHS is proposing to implement a total payment rate of \$7.21 per 15 minutes from October 1, 2021, through December 31, 2021. This rate is composed of the following: (i) a rate of 89.75% of the agency provided homemaker rate, or \$5.65, per 15 minutes for non-agency provided homemaker services (waiver MFP-CL) established in 101 CMR 359.00, effective July 1, 2020; (ii) an annualization add-on of \$0.99 per 15 minutes; and (iii) an add-on rate of 89.75% of the agency provided homemaker add-on rate, or \$0.57, per 15 minutes for non-agency provided homemaker services established in 101 CMR 447.00, effective July 1, 2021.

For dates of service January 1, 2022, through June 30, 2022, EOHHS is proposing to implement a total payment rate of \$6.64 per 15 minutes for non-agency provided homemaker services. This rate consists of the same rate components as the October 1, 2021, effective rate for non-agency provided homemaker services, except the \$0.57 add-on rate will be removed.

Rates for Agency Provided Personal Care Services:

EOHHS is proposing to implement a total payment rate of \$7.98 per 15 minutes for agency provided personal care services from October 1, 2021, through December 31, 2021. This rate is composed of the following: (i) a rate of \$6.35 per 15 minutes for agency provided personal care services (waiver ABI-N and MFP-CL) established in 101 CMR 359.00, effective July 1, 2020; (ii) an annualization add-on of \$0.99 per 15 minutes; and (iii) a \$0.64 add-on rate per 15 minutes for agency provided personal care services established in 101 CMR 447.00, effective July 1, 2021.

For dates of service January 1, 2022, through June 30, 2022, EOHHS is proposing to implement a total payment rate of \$7.34 per 15 minutes for agency provided personal care services. This rate consists of the same rate components as the October 1, 2021, effective rate for agency provided personal care services, except the \$0.64 add-on rate will be removed.

Rates for all other services listed in 101 CMR 350.00, 359.00, and 447.00 will remain in accordance with the effective period and rates set forth in each one.

The rates proposed in 101 CMR 449.00 would be effective for dates of service on or after October 1, 2021, through June 30, 2022. For dates of service on or after July 1, 2022, the applicable rates will be the rates established under 101 CMR 350.00 and 359.00.

Fiscal Impact:

For the period of October 1, 2021, through June 30, 2022, the proposed regulation will result in an estimated fiscal impact of \$4.3 million (14%) relative to MassHealth base spending of \$30.9 million. The proposed additional spending of \$4.3 million includes \$1.8 million for home health services, and \$2.5 million for homemaker and personal care waiver services, representing 13.27% and 14.53% increases over baseline spending for each respective service area.